

October 1, 1999

John T. Frey
Clerk of the Circuit Court
County of Fairfax

Board of Supervisors
County of Fairfax

We have audited the cash receipts and disbursements of the Clerk of the Circuit Court of the County of Fairfax for the period July 1, 1997 through June 30, 1998. We conducted our audit in accordance with generally accepted auditing standards.

Our primary objectives were to test the accuracy of financial transactions recorded on the Court's financial management system; evaluate the Court's internal controls; and test its compliance with significant state laws, regulations, and policies. However, our audit was more limited than would be necessary to provide assurance on the internal controls or on overall compliance with applicable laws, regulations, and policies.

The results of our tests found the Court properly stated, in all material respects, the amounts recorded and reported in the financial management system; and no instances of noncompliance with applicable laws, regulations, and policies. However, we noted (a) weakness(es) in internal controls that the Clerk needs to address as described below.

Improve Controls and Efficiency

The Fairfax County Circuit Court does not use the Supreme Court's Personal Cash Register and Case Management Systems. The Clerk uses the FINCASH system to receipt all monies. The Criminal Division uses the Summary of Fines and Cost Defendant System (SFDS) as both a case and financial management system. The SFDS tracks case activity as well as fines and costs. In addition, the Clerk also maintains financial information in total on the Supreme Court's Financial Management System (FMS).

The problem is the inability of these three systems to communicate with each other. The Clerk must manually enter financial data in both SFDS and FINCASH. Then, daily the Accounting Department batches by account code and manually enters each department's activity into FMS. The lack of interface between these three systems creates an environment of inefficiency and internal control weaknesses. We noted the following:

- FINCASH terminals and cash drawers are located at each cashier's desk rather than at a centralized location. The cashiers must travel to and from their desks to receipt payments. Employees do not always lock their cash drawers when they return to the payment window.
- Cashiers leave customers at the payment counter for long periods of time while they enter the receipt in SFDS and then again in the FINCASH system. Further, the Clerk does not have a mechanism for reconciling the FINCASH and SFDS system. Duplicate manual entries and the absence of a reconciliation process increases the risk of errors and omissions.
- The Summary of Fines and Cost Defendant System does not have the ability to track updates and modifications to accounts. Therefore, the Clerk has no method of reviewing and approving changes to accounts.

The Clerk should thoroughly review the systems he uses to process financial information for his court. The Clerk should modify the existing systems so that duplicate manual entries are not necessary or consider replacing the three existing systems with a comprehensive system that allows for the monitoring and tracking of cases, receipt of payments, and maintenance of financial account data. The Clerk should give special consideration to the viability of using the Supreme Court's Case and Financial Management Systems to process, record, and track all court activities. Regardless, the court's accounting system should provide a proper audit trail for all financial transactions including changes to defendant accounts. The Clerk should also ensure that he has adequate internal control procedures to safeguard cash on hand.

We discussed these comments with the Clerk on October 8, 1999 and we acknowledge the cooperation extended to us during this engagement.

AUDITOR OF PUBLIC ACCOUNTS

WJK:aom

cc: The Honorable F. Bruce Bach, Chief Judge
Robert J. O'Neill Jr., County Executive
Bruce Haynes, Executive Secretary
Compensation Board
Martin Watts, Court Analyst
Supreme Court of Virginia
Paul Delosh, Technical Assistance
Supreme Court of Virginia